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SENATE BILL 818

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

TIMOTHY Z. JENNINGS

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; AMENDING SECTIONS OF THE PUBLIC SCHOOL FINANCE ACT PERTAINING TO THE DATES ON WHICH MEMBERSHIP COUNTS ARE CONDUCTED AND USED FOR PROGRAM UNIT CALCULATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-13 NMSA 1978 (being Laws 1974, Chapter 8, Section 3, as amended) is amended to read:

"22-8-13. REPORTS. --

A. Each local school board shall require each public school in its school district to keep accurate records concerning membership in the public school. The superintendent of each school district shall maintain the following reports for each twenty-day reporting period:

- (1) the basic program MEM by grade in each

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- 1 public school;
- 2 (2) the early childhood education MEM;
- 3 (3) the special education MEM in each public
- 4 school in class C and class D programs as defined in Section
- 5 22-8-21 NMSA 1978;
- 6 (4) the number of class A and class B programs
- 7 as defined in Section 22-8-21 NMSA 1978 and the membership in
- 8 those programs; and
- 9 (5) the full-time-equivalent MEM for bilingual
- 10 multicultural education programs.

11 B. The superintendent of each school district shall

12 furnish to the department reports of the information required in

13 Paragraphs (1) through (5) of Subsection A of this section for

14 the [~~first forty days of~~] fortieth day and the one hundred

15 twentieth day of the school year. The [~~forty-day report~~]

16 membership reports and all other reports required by law or by

17 the state board shall be furnished within five days of the close

18 of the reporting period.

19 C. All information required pursuant to this section

20 shall be on forms prescribed and furnished by the department. A

21 copy of any report made pursuant to this section shall be kept

22 as a permanent record of the school district and shall be

23 subject to inspection and audit at any reasonable time.

24 D. The department shall withhold allotments of funds

25 to any school district where the superintendent has failed to

1 comply until the superintendent complies with and agrees to
2 continue complying with requirements of this section.

3 E. The provisions of this section may be modified or
4 suspended by the department for any school district or school
5 operating under the Variable School Calendar Act. The
6 department shall require MEM reports consistent with the
7 calendar of operations of such school district or school and
8 shall calculate an equivalent average MEM for use in projecting
9 school district revenue. "

10 Section 2. Section 22-8-25 NMSA 1978 (being Laws 1981,
11 Chapter 176, Section 5, as amended by Laws 1993, Chapter 226,
12 Section 23 and also by Laws 1993, Chapter 231, Section 14) is
13 amended to read:

14 "22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
15 DEFINITIONS-- DETERMINATION OF AMOUNT. --

16 A. The state equalization guarantee distribution is
17 that amount of money distributed to each school district to
18 ensure that the school district's operating revenue, including
19 its local and federal revenues as defined in this section, is at
20 least equal to the school district's program cost.

21 B. "Local revenue", as used in this section, means
22 ninety-five percent of receipts to the school district derived
23 from that amount produced by a school district property tax
24 applied at the rate of fifty cents (\$.50) to each one thousand
25 dollars (\$1,000) of net taxable value of property allocated to

1 the school district and to the assessed value of products
2 severed and sold in the school district as determined under the
3 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
4 value of equipment in the school district as determined under
5 the Oil and Gas Production Equipment Ad Valorem Tax Act.

6 C. "Federal revenue", as used in this section, means
7 ninety-five percent of receipts to the school district,
8 excluding amounts which, if taken into account in the
9 computation of the state equalization guarantee distribution,
10 result, under federal law or regulations, in a reduction in or
11 elimination of federal school funding otherwise receivable by
12 the school district, derived from the following:

13 (1) the school district's share of forest
14 reserve funds distributed in accordance with Section 22-8-33
15 NMSA 1978; and

16 (2) grants from the federal government as
17 assistance to those areas affected by federal activity
18 authorized in accordance with Sections 236 through 240 of Title
19 20 of the United States Code (commonly known as "PL 874 funds")
20 or an amount equal to the revenue the district was entitled to
21 receive if no application was made for such funds but deducting
22 from those grants the additional amounts to which school
23 districts would be entitled because of the provisions of
24 Subparagraph (D) of Paragraph (2) of Subsection (d) of Section
25 238 of Title 20 of the United States Code.

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1 D. To determine the amount of the state equalization
2 guarantee distribution, the state superintendent shall:

3 (1) calculate the number of program units to
4 which each school district is entitled using the average of the
5 membership [of] on the fortieth day and the one hundred
6 twentieth day of the school year, except for school districts
7 with a MEM of 200 or less where the number of program units
8 shall be calculated on the [~~fortieth day membership~~] average of
9 the membership of the fortieth day and the one hundred twentieth
10 day of either the prior year or the current year, whichever is
11 greater, for all programs except special education, which shall
12 be calculated by using the membership on December 1 of the
13 school year; or

14 (2) calculate the number of program units to
15 which a school district operating under an approved year-round
16 school calendar is entitled using the average membership on [an]
17 appropriate [date] dates established by the state board;

18 (3) using the results of the calculations in
19 Paragraph (1) or (2) of this subsection and the instructional
20 staff training and experience index from the October report of
21 the prior school year, establish a total program cost of the
22 school district;

23 (4) calculate the local and federal revenues as
24 defined in this section;

25 (5) deduct the sum of the calculations made in

1 Paragraph (4) of this subsection from the program cost
2 established in Paragraph (3) of this subsection; and

3 (6) deduct the total amount of guaranteed
4 energy savings contract payments that the state superintendent
5 determines will be made to the school district from the public
6 school energy efficiency fund during the fiscal year for which
7 the state equalization guarantee distribution is being computed.

8 E. The amount of the state equalization guarantee
9 distribution to which a school district is entitled is the
10 balance remaining after the deductions made in Paragraphs (5)
11 and (6) of Subsection D of this section.

12 F. The state equalization guarantee distribution
13 shall be distributed prior to June 30 of each fiscal year. The
14 calculation shall be based on the local and federal revenues
15 specified in this section received from June 1 of the previous
16 fiscal year through May 31 of the fiscal year for which the
17 state equalization guarantee distribution is being computed. In
18 the event that a school district has received more state
19 equalization guarantee funds than its entitlement, a refund
20 shall be made by the school district to the state general fund.

21 G. Notwithstanding the methods of calculating the
22 state equalization guarantee distribution in this section and
23 Laws 1974, Chapter 8, Section 22, if a school district received
24 funds under Section 2391 of Title 42 U.S.C.A. and if the federal
25 government takes into consideration grants authorized by

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1 the Oil and Gas Production Equipment Ad Valorem Tax Act and then
2 reduced by the total amount of guaranteed energy savings
3 contract payments, if any, that the state superintendent
4 determines will be made to the school district from the public
5 school energy efficiency fund during the fiscal year for which
6 the state equalization guarantee distribution is being computed,
7 equals the fiscal year state equalization guarantee distribution
8 for the year for which the state equalization guarantee
9 distribution is being computed.

10 If at any time grants from the federal government as
11 assistance to those areas affected by federal activity
12 authorized in accordance with Sections 236 through 240 of Title
13 20 of the United States Code (commonly known as "PL 874 funds")
14 are reduced or are no longer available, the state equalization
15 guarantee distribution shall be computed by the formula
16 contained in this subsection plus an increase by fifty percent
17 of the amount the prior year's PL 874 funds exceed PL 874 funds
18 for the year for which the state equalization guarantee
19 distribution is being computed. "

1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997

3
4
5 March 5, 1997

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7 Mr. President:

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9 Your EDUCATION COMMITTEE, to whom has been referred

10
11 SENATE BILL 818

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13 has had it under consideration and reports same with
14 recommendation that it DO PASS, and thence referred to the
15 FINANCE COMMITTEE.

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17 Respectfully submitted,

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21 _____
22 Cynthia Nava, Chairman

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25 Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Duran, Garcia, Gorham, Pinto

Absent: None

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
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5 March 8, 1997
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7 Mr. President:
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9 Your FINANCE COMMITTEE, to whom has been referred
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11 SENATE BILL 818
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13 has had it under consideration and reports same with
14 recommendation that it DO PASS.
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16 Respectfully submitted,
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21 Ben D. Altamirano, Chairman
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24 Adopted _____ Not Adopted _____
25 (Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: None

Excused: Aragon, Altamirano, Ingle, McKibben,

Absent: None

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